



**Bureau Veritas Certification
North America, Inc.
SFI Fiber Sourcing Audit Report**

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PQC Code	E01E Forestry & Logging Related Service Activities
Contract Number	US.2061797

Certification Audit:		Re-Certification Audit:	X	Surveillance Audit:	#	Scope extension audit:	
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Audit Summary

Introduction

This report summarizes the results of the recertification audit conducted on Southern Veneer Product's (SVP) SFI program for fiber sourcing. Steve Tomlin, Bureau Veritas Certification Lead Auditor, conducted the audit April 29 through April 30, 2015.

Audit Scope, Objectives and Process

The scope of the audit is "Wood Procurement", and the audit was conducted against the SFI 2015-2019 Fiber Sourcing Standard objectives 1 through 7, 9 and 10. The remaining objectives are not applicable to SVP's operations. The objective of the audit was to verify that the Program Participant's SFI Program is in conformance with the applicable SFI Objectives, Performance Measures, and Indicators, and verify whether the Program Participant has effectively implemented its SFI Standard program requirements on the ground. There was no substitution, modification or addition of indicators. Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the most recent version of the Bureau Veritas Certification (BVC) SFI Auditor Handbook and BVC auditor resource website.

Audit Plan

The audit began with an opening meeting at 8:30 AM the morning April 29, 2015, followed by interviews, a review of system documentation and records, and examination of corrective actions for nonconformances issued during the 2014 audit. Field audits of randomly selected harvest tracts and confirmation of field audit records took place the morning and early afternoon of April 30, followed by a closing meeting held at 4:30 PM. An audit plan was developed and is maintained on file by Bureau Veritas Certification.

Company Information

Southern Veneer Products is a manufacturer of yellow pine plywood, veneer, landscaping timbers, with by-products of cores, chips and bark. SVP was founded in 1998, and is located in rural South-Central GA in Ben Hill county. It is a family business owned and operated by Kendall and Tammy Adams. It has no land ownership. All wood fiber is obtained by SVP wood buyers through a system of wood dealers. SVP does not directly purchase any stumpage from landowners. Their wood procurement basin is South Georgia, occasionally ranging farther into Georgia and Northern Florida.

Audit Results

Document and record reviews accompanied by interviews were conducted to determine if Southern Veneer Products system meets the requirements of the SFI 2015-2019 Fiber Sourcing Standard. A field audit of five harvest tracts purchased through SVP's wood dealer system was performed to confirm SFI program implementation and conformance. These tracts were located in Irwin, Turner, and Wilcox counties, Georgia. They were all final harvests from which SVP received the pine logs, with the other timber going to different markets. Corrective actions for four minor nonconformances issued during the 2014 were reviewed.

Objective 1-Biodiversity in Fiber Sourcing: Financial support has been provided to the Nature Conservancy, and SVP has contacted its wood dealers in writing eliciting their support to promote and conserve biodiversity. SVP does not directly purchase any logs from landowners, but depends on a stable wood dealer system. SVP has plans in place to directly provide biodiversity information to landowners via the mail and/or its company web-site. SVP is an active member of the GA SIC, which provides information directly to landowners across the state via a long-standing direct mail campaign. An opportunity for improvement, however, exists for this objective. Current actions and improvement plans for the promotion and conservation of biodiversity are in place, but efforts to date only minimally meet the requirements of this objective. An increased effort is recommended.

Objective 2-Adherence to Best Management Practices: Southern Veneer does not directly purchase stumpage. It monitors the activities of its wood dealers and their loggers through its on-site BMP monitoring program. Field audits were performed on five tracts. All were final harvests. BMP implementation was overall very good, though there was a couple areas of marginal compliance on one tract involving an SMZ and a stream crossing. SVP Purchase Orders promote, but do not require, the use of BMPs. A minor nonconformance was written as these agreements had no provision requiring the use of BMPs, as required by the standard. SVP clearly expects compliance, however, as evidenced by their Policy Statement on the SFI Program. Policy letters have been sent to wood suppliers. Policy letters were sent to all wood suppliers containing all required information. An opportunity for improvement was written, however. Even though SVP has a stable wood supplier system, it should consider more frequent distribution of its fiber sourcing policies. SVP randomly selects tracts to visit for its BMP audit program from log deliveries arriving at the scale house. Tract maps are obtained by the SVP wood buyer. Results of the audits are summarized and discussed quarterly with the SVP owner, wood buyers, and SFI Coordinator to review performance and identify areas for improvement.

Objective 3-Use of Qualified Resource and Qualified Logging Professionals: SVP purchase orders promote the use of trained logging professionals and the SVP Policy Statement on the SFI program requires compliance. No certified logger program currently exists in GS or FL. Qualified logging professional training is tracked by the SVP SFI Coordinator. Logger training records are maintained on the GA SIC Master Timber Harvester database on the GA SIC website.

Objective 4-Legal and Regulatory Compliance: SVP demonstrated competence in access to and knowledge of applicable laws and regulations on the GFC, GA DOT, EPA, and federal web sites. Purchase orders require legal compliance as a condition for delivering wood to SVP. The BMP on-site monitoring system includes additional monitoring of legal compliance such as trash dumping. No illegalities were reported in the past year, nor were any indicated on the 2014 GA Forestry Commission BMP Assurance database or the GA SIC nonconforming practice annual report. SVP is committed to not knowingly accept any wood obtained illegally or in violation of any laws or regulations. The risk of acquiring material from illegal logging is low. No significant risk of illegal logging was identified. SVP maintains a Co-worker Handbook & Safe Practices Guide signed by

each employee providing social and safety policies and requirements. An employee bulletin board providing OSHA and employee rights information is posted in the mill.

Objective 5-Forestry Research, Science and Technology: University contribution information for forestry research to improve forest health, productivity and environmental benefits of forest products was reviewed and is sufficient to meet the requirements of this objective. No research on genetically engineered trees was performed or participated in. SVP is a member of the Georgia Forestry Association and the GA SIC. SVP reviews climate change model information and data posted on the EPA web site and other sources to learn about potential long-term impacts on forest health, productivity, economic viability, wildlife, wildlife habitats and conservation for biological diversity. It has determined that its current operations have a negligible impact.

Objective 6-Training and Education: The SVP Policy Statement on the SFI Program has been reviewed since the previous audit by all applicable employees. Affected employees know and understand their roles and responsibilities. The fiber procurement staff is Master Timber Harvester trained and current on the training database. Training was confirmed for all loggers randomly selected for field audits. Purchase orders promote, but do not require, that logging professionals have completed training meeting SFI requirements. A Nonconformance was issued as there was no written agreement provision requiring training for logging professionals. The Georgia Master Timber Harvester program requires 12 hours continuing education every two years. A certified logger program does not exist in GA

Objective 7-Community Involvement and Landowner Outreach: SVP is an active member of the GA SIC and is current on its assessments. SVP is an active member of the Georgia Forestry Association, which promotes the conservation of managed forests and provides information on credible conservation planning efforts. The GA landowner brochure encourages certification, and is distributed to landowners by the SVP timber buyer. SVP is significantly involved in the local community. Examples include a plant tour and sustainable forestry discussion for the Boy Scouts of America (BSA), the Community Bank of Fitzgerald Junior Board of Directors, the Wiregrass Technical College, and Career Education Teachers from the Fitzgerald High School.

Objective 8-Public Land Management Responsibilities: Not applicable

Objective 9-Communications and Public Reporting: The SVP 2014 audit report meeting the requirements of this objective was posted on the SFI, Inc. website. The 2014 annual progress report to SFI, Inc. was submitted in a timely manner, and past reports are maintained along with reporting files adequate for the accumulation of information for this report.

Objective 10-Management Review: SFI program monitoring records and information are compiled and maintained by the SVP SFI Coordinator. Documented management review meetings were held four times since the last audit. The audit confirmed this to be an adequate system for evaluating the effectiveness of the SVP's SFI program and identifying areas for continual improvement.

Objective 11-Promote Conservation of Biological Diversity, Biodiversity Hotspots and High-Conservation Wilderness Areas: Not applicable

Objective 12-Avoidance of Controversial Sources including Illegal Logging: Not applicable

Objective 13-Avoidance of Controversial Sources including Fiber Sourced from Areas without Effective Social Laws: Not applicable

Findings

Previous non-conformances:

1. SFI 2010-2014 19.2.1 – The 2013 SFI Progress report was not submitted. Viewed and confirmed submission from SFI, Inc. Corrective actions approved.
2. SFI 2010-2014 10.2.2 – No process was in place to review the results of the verifiable monitoring program to maintain BMP conformance and identify areas for improvement. Results are now compiled and information reviewed constantly on an ad hoc basis, and four times per year in documented management reviews. Corrective actions approved.
3. SFI 2010-2014 14.1.2 – Insufficient documentation of wood supplier commitment for compliance with applicable laws and regulations. Purchase orders now clearly require legal compliance. Corrective actions approved.
4. SFI 2010-2014 10.1.3 – No written agreements for purchase of pine logs. This was an auditor/interviewee misunderstanding. Purchase orders, which are the written agreements for fiber supply purchases, were and are in use. This was confirmed for all wood suppliers during this audit. Corrective actions approved.

Non-conformances:

Two minor non-conformances were issued. 2.1.2 states that written agreements with wood suppliers require BMP implementation, and 6.1.5 states that the agreements require the use of professional loggers who are trained. Current SVP purchase orders “promote” these two requirements, but do not require compliance. Refer to the SF02 Nonconformity Reports for additional information.

Opportunities for Improvement:

Two opportunities for improvement were identified. If not addressed, they may become nonconformances in the future:

SFI 2015-2019 Fiber Sourcing 1.1.1 requires the Program Participant to address conservation of biodiversity through one or more credible organizations and approaches. Southern Veneer Products has improvement plans in place for the promotion and conservation of biodiversity, but efforts to date only minimally meet requirements of this indicator. An increased effort is recommended.

SFI 2015-2019 Fiber Sourcing 2.1.4 states that Program Participants must clearly define their fiber sourcing policies in writing and make them available to wood producers. Southern Veneer Products has a stable wood supplier system and has distributed its fiber sourcing policy, but should consider more frequent re-distribution.

Notable Practices:

There were no notable practices were issued during this audit.

Logo/label use:

Southern Veneer Products does not use the SFI label or the BVC logo. It does use the SFI logo on its web site, for which it has received documented approval from SFI, Inc.

SFI reporting:

The SFI website was checked and the previous audit report was posted.

Conclusions

Audit results indicate that Southern Veneer Products implements an SFI fiber sourcing program that meets the requirements of the SFI 2015-2019 Fiber Sourcing standard. The lead auditor recommended conditional continued certification at the closing meeting on April 30, 2015, pending

approval of the corrective action plans for the two minor nonconformances. These nonconformances were cleared on 5/3/2015, and corrective action plan implementation will be confirmed at the next surveillance audit in 2016. Prior to the next audit SVP should complete the Corrective Action Implementation sections of the Nonconformity Reports located at the end of this document, and submit them to the Lead Auditor for final closure.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: 4/29/2015				To: 4/30/2015			
Number of SF02's Raised:				Major:		Minor:		2	
Is a follow up visit required:		Yes		No	X	Date(s) of follow up visit:			
Follow-up visit remarks:									
Team Leader Recommendation:									
Corrective Action Plan(s) Accepted		Yes	X	No		N/A		Date:	5/3/2015
Proceed to/Continue Certification		Yes	X	No		N/A		Date:	5/3/2015
All NCR's Closed		Yes		No	X	N/A		Date:	5/3/2015
Standard audit conducted against:									
1)	SFI 2015-2019 Fiber Sourcing		3)						
2)			4)						
Team Leader (1):			Team Members (2,3,4...)						
Steve Tomlin RF, CF, EMS(LA)			2)						
			3)						
			4)						
			5)						
Scope of Supply: (scope statement must be verified and appear in the space below)									
Wood Procurement									
Accreditation's		ANAB							
Number of Certificates		1							
Proposed Date for Next Audit Event									
Date		April 20-21, 2016							
Audit Report Distribution									
Rowena Rivera - rowena.rivera@us.bureauveritas.com									
Andrew Weeks - pvtandrew_weeks@hotmail.com									

Clause	Audit Report
Opening Meeting	Participants: Andrew Weeks – SFI Coordinator Discussions: <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous nonconformances - 4. ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	Participants: Andrew Weeks – Sfi Coordinator Discussions: <ul style="list-style-type: none"> ➤ Introductions and appreciation for selecting Bureau Veritas Certification. ➤ Review of audit process - process approach and sampling. ➤ Review of OFIs and System Strengths ➤ Nonconformances - 2 ➤ Date for next audit. ➤ Reporting protocol and timing



SF02/NA NONCONFORMITY REPORT

Company Name and Site:		SF02#:	
Southern Veneer Products		1	
Contract #:	Type of audit (e.g., initial, surveillance):	Team Leader:	
US.2061797	Recertification	Steve Tomlin	
Date:	Standard and Clause #:	Team Member:	
4/30/2015	SFI 2015-2019 Fiber Sourcing 2.1.2		
Major	Minor	Other Documents (if applicable):	Company Representative:
	X		Andrew Weeks
REQUIREMENT OF AUDITED STANDARD:			
Use of written agreements for the purchase of raw material sourced directly from the forest is required and must include provisions requiring the use of best management practices.			
OBSERVED NONCONFORMITY:			
Purchase orders for logs from the forest promote, but do not require, BMP implementation.			
ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN (To be completed by the Company. Plan to be submitted in 30 days)			
Corrective Action Plan Date:	5/1/2015	Company Representative:	Andrew Weeks
Root Cause Analysis and Corrective Action			
Root Cause: Out dated purchase orders. Corrective Action Plan: Create and distribute to dealers, new purchase orders requiring BMP implementation, in accordance to SFI 2015-2019 standards.			
ROOT CAUSE AND CORRECTIVE ACTION PLAN ACCEPTANCE REPORT (To be completed by Bureau Veritas Certification – Verify effective identification of Root Cause and acceptance of Corrective Action Plan)			
Root Cause: Cause was easily identified. Through an oversight, the PO's were simply not updated to the requirement in the standard. Corrective Action Plan: The proposed corrective action is sufficient for conformance.			
Plan Accepted:	Yes	X	No
Comments:	Will confirm all purchase orders contain acceptable language at next surveillance audit.		
Auditor:	Steve Tomlin	Date:	5/3/2015
CORRECTIVE ACTION IMPLEMENTATION			
To be completed by Company – Provide objective evidence. Not to exceed: 90 Days <input type="checkbox"/> 1 Year <input checked="" type="checkbox"/>			
Corrective Action Completion Date:		Company Representative:	
Corrective Action Implementation: Method used to verify effectiveness of action taken:			
CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT (To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)			
Accepted:	Yes	No	Nonconformance Closed: Yes No
Follow Up Comments:			
Auditor:		Date:	



SF02/NA NONCONFORMITY REPORT

Company Name and Site:		Southern Veneer Products		SF02#:		2	
Contract #:		Type of audit (e.g., initial, surveillance):		Team Leader:			
US.2061797		Recertification		Steve Tomlin			
Date:		Standard and Clause #:		Team Member:			
4/30/2015		SFI 2015-2019 Fiber Sourcing 6.1.5					
Major	Minor	Other Documents (if applicable):		Company Representative:			
	X			Andrew Weeks			
REQUIREMENT OF AUDITED STANDARD:							
Program Participants shall have written agreements for the use of qualified logging professionals.... and/or wood producers that have completed training programs and are recognized as qualified logging professionals.							
OBSERVED NONCONFORMITY:							
Purchase orders for logs from the forest promote, but do not require, the use of Georgia Master Timber Harvester trained professional loggers.							
ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN (To be completed by the Company. Plan to be submitted in 30 days)							
Corrective Action Plan Date:		5/1/2015		Company Representative:		Andrew Weeks	
Root Cause Analysis and Corrective Action							
Root Cause: Out dated purchase orders Corrective Action Plan: Create and distribute to dealers, new purchase orders requiring use of Master Timber Harvester trained professional loggers, in accordance to SFI 2015-2019 standards.							
ROOT CAUSE AND CORRECTIVE ACTION PLAN ACCEPTANCE REPORT (To be completed by Bureau Veritas Certification – Verify effective identification of Root Cause and acceptance of Corrective Action Plan)							
Root Cause: Cause was easily identified. Through an oversight, the PO's were simply not updated to the requirement in the standard. Corrective Action Plan: The proposed corrective action is sufficient for conformance.							
Plan Accepted:		Yes	X	No	Comments:	Will confirm all purchase orders contain acceptable language at next surveillance audit.	
Auditor:		Steve Tomlin			Date:	5/3/2015	
CORRECTIVE ACTION IMPLEMENTATION							
To be completed by Company – Provide objective evidence. Not to exceed: 90 Days <input type="checkbox"/> 1 Year <input checked="" type="checkbox"/>							
Corrective Action Completion Date:				Company Representative:			
Corrective Action Implementation: Method used to verify effectiveness of action taken:							
CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT (To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)							
Accepted:		Yes		No	Nonconformance Closed:		Yes <input type="checkbox"/> No <input type="checkbox"/>
Follow Up Comments:							
Auditor:					Date:		